

Chronology of Initiative 601 Amendments

This chronology lists the statutory amendments to Initiative 601 that have been enacted since the adoption of the initiative in 1993. Not listed are (1) several instances in which the Legislature authorized state agencies to adopt administrative fee increases that exceed the initiative's fiscal growth factor, and (2) statutory interpretations of the initiative that expanded spending capacity without amending the initiative, such as the interpretations in 1995, 1997, and 1999 that allowed a state sales tax credit to be used, without lowering the state expenditure limit, for the baseball and football stadia and for assistance to distressed/rural counties.

1993: Initiative 601 enacted by the voters. Two sections of the initiative take effect.

1995: The remainder of Initiative 601 takes effect.

1997: Assessments imposed by agricultural commodity commissions are exempted from I-601's limitation on administrative fee increases. ([SB 5514](#))

1998: Referendum 49 amends Initiative 601 to allow a diversion of Motor Vehicle Excise Tax revenues without lowering the state expenditure limit, authorizes the MVET distributions to be used to reimburse local governments for state mandates, and "reenacted and reaffirmed" Initiative 601.

1999: State Investment Board is given investment authority over the Emergency Reserve Fund. ([SB 6063](#))
Initiative 695 expands I-601 to require voter approval of increased state and local taxes, fees, and charges. (The initiative was subsequently held unconstitutional by the state Supreme Court.)

2000: \$35 million from interest earnings in the Emergency Reserve Fund are transferred annually to the Transportation Multimodal Account. ([SB 6876](#))

The maximum level of the Emergency Reserve Fund is changed from 5 percent of biennial revenues to 5 percent of annual revenues. ([HB 3169](#))

The State Treasurer is authorized to reconcile deposits to the reserve funds to reconcile actual revenue levels with previously forecasted levels. ([HB 3169](#))

The state spending limit is adjusted upward for program costs or moneys that are transferred into the state General Fund (the "two-way street"). ([HB 3169](#))

New local taxes that are credited against state revenues will result in a downward adjustment in the state expenditure limit. ([HB 3169](#))

The State Expenditure Limit Committee is established ([HB 3169](#)).

75 percent of excess revenue from the Emergency Reserve Fund is transferred to the Student Achievement Fund; the remainder flows to the General Fund. ([Initiative 728](#))

The diversion of state lottery proceeds and state property tax revenues to the Student Achievement Fund does not lower the state expenditure limit. ([Initiative 728](#))

2001: Assessments imposed by the forest products commission are exempt from I-601's limitation on administrative fee increases. ([SHB 1835](#))

2002: The supermajority vote requirement for the Legislature to increase state taxes or to appropriate money from the Emergency Reserve Fund is suspended for the 2001-03 fiscal biennium. ([SB 6819](#))

The expenditure limit is not lowered to reflect General Fund transfers to the Criminal justice Treatment Account and the VRDE Account ([HB 2338](#)), or certain transfers to the Multimodal Transportation Account ([HB 2969](#)).

2003: Transfers from the Emergency Reserve Fund to the Multimodal Transportation Account were suspended during the 2003-05 biennium ([SB 5404](#)).

The Education Construction Fund may be used for higher education maintenance during the 2003-05 biennium ([SB 5401](#)).
